Department of Planning and Budget
2026 General Assembly Session
State Fiscal Impact Statement

PUBLISHED: 3/5/2026 8:44 AM **ORIGINAL**

Bill Number: HB1221S1 **Patron:** VanValkenburg
Bill Title: Public institutions of higher education; financial aid review and consolidation; Virginia Guaranteed Assistance Program and Fund; Virginia Commonwealth Award established.

Bill Summary: Amends several provisions relating to higher education financial aid programs for the purpose of establishing the Virginia Commonwealth Award in the Code of Virginia and consolidating the Virginia Guaranteed Assistance Program and Fund with the Virginia Commonwealth Award. Currently, the Virginia Commonwealth Award is established and administered only in the Virginia Administrative Code. In consolidating and establishing such financial aid programs as the Virginia Commonwealth Award, the bill codifies several definitions and provisions relating to award eligibility and renewal for undergraduate students and graduate students. The bill also repeals a provision of law establishing the Virginia Guaranteed Assistance Fund. The bill directs the State Council of Higher Education for Virginia to promulgate emergency regulations for the administration of financial aid in accordance with the provisions of the bill by April 1, 2027. The bill also directs the Joint Subcommittee on Higher Education Funding Policies to (i) conduct a review of higher education financial aid systems and processes in the Commonwealth, in consultation with additional listed stakeholders, to examine and evaluate the Commonwealth's current higher education financial aid model and processes and develop recommendations on strategies for maximizing the efficacy and impact of state financial aid appropriations on the accessibility and affordability of higher education in the Commonwealth and (ii) submit to the chairs of the applicable committees of the General Assembly by July 1, 2027, a report on its findings and recommendations. Finally, the bill provides for the gradual phase-out of the award of grants under the Virginia Guaranteed Assistance Program by (i) prohibiting any first-time students from being offered a grant under the Virginia Guaranteed Assistant Program beginning with first-time students enrolled in the fall semester of 2027 and (ii) permitting any public institution of higher education to provide for the annual renewal of grant awards under such program for no more than three subsequent award years, or up to a total of four award years, to any student who receives a grant during the 2026-2027 school year and continues to meet the requirements for grant renewal set forth in applicable law.

Budget Amendment Necessary: No **Items Impacted:** None

Fiscal Summary: This bill impacts the Joint Subcommittee on Higher Education Funding Policies, public institutions of higher education, and the State Council of Higher Education for Virginia. It is anticipated that the requirements of this bill can be supported with existing resources.

Other: This fiscal impact statement is preliminary and based on feedback from agencies as of the date of publication. This bill is similar to SB167 as enrolled.